UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MISSOURI EASTERN DIVISION

UNION INSURANCE COMPANY)	
)	
)	
Plaintiff,)	Case No.: 4:22-cv-01180-AGF
)	
v.)	
)	
CSAC, INC.,; and SADE M.)	
CRAWFORD,)	
)	
Defendants.)	
	,	

UNION INSURANCE COMPANY'S MOTION FOR LEAVE TO FILE A SUR-REPLY TO DEFENDANTS' MOTION TO DISMISS OR STAY

NOW COMES Plaintiff UNION INSURANCE COMPANY ("Union"), by and through the undersigned attorneys, and files its Motion For Leave To File A Sur-Reply to Defendants' Motion to Dismiss or Stay Plaintiff's Complaint for Declaratory Judgment, and in support thereof states as follows:

- 1. This is an insurance coverage action arising out of an underlying class action lawsuit styled *CSAC*, *Inc. v. Sade Crawford*, case number 1522-AC03346-02, which is pending in the 22nd Judicial Circuit Court for St. Louis City, Missouri (the "State Court Action"). Union filed this action for declaratory judgment seeking a judicial declaration that Union has and had no duty to defend or indemnify CSAC in connection with the underlying State Court Action. (Doc. #1).
- 2. On February 8, 2023, Defendants CSAC, Inc. ("CSAC") and Sade M. Crawford ("Crawford") filed a Motion to Dismiss of Stay Plaintiff's Complaint for Declaratory Judgment (Doc. #28 and #29). Defendants' Motion requests that this Court abstain from exercising jurisdiction over Union's declaratory judgment action because "[t]he insurance coverage issue

asserted by Union...can be more appropriately adjudicated in the pending parallel state court action styled *CSAC*, *Inc. v. Sade Crawford*, case number 1522-AC03346-02, which is pending in the 22nd Judicial Circuit Court for St. Louis City, Missouri...." (Doc. #28, p.1, PageID #1101).

- 3. Union filed its Suggestions in Opposition to Defendants' Motion to Dismiss or Stay on March 8, 2023. (Doc. #35). Contemporaneous with filing its Opposition to Defendants' Motion in this Court, Union also filed a Motion to Intervene in the State Court Action for purposes of staying the underlying litigation until Union's coverage obligations are decided in this coverage action, or alternatively, for the limited purposes of participating in and contesting the unopposed "Judgment" against CSAC comprised of alleged *additional* damages contemplated by the parties prior settlement. *See* Motion to Intervene attached as **Exhibit A**.
- 4. On March 23, 2023, Union also filed a Motion to Stay the State Court Action, in part. Union sought to stay that portion of the State Court Action related to the preliminary settlement between CSAC and the Crawford class that seeks to permit the class to take a judgment against CSAC in an amount to be determined by the state court and potentially satisfied by Union's insurance coverage (if any), pending resolution of the coverage claims in this action. *See* Motion to Stay attached as **Exhibit B**.
- 5. Defendants CSAC and Crawford did not oppose Union's Motion to Intervene or Motion to Stay the State Court Action. In fact, on March 30, 2023, counsel for Union, CSAC, and the Crawford class appeared in the State Court Action and stipulated to the granting of Union's Motion to Intervene and Motion to Stay. On April 3, 2023, Judge Calea Stovall-Reid in the State Court Action entered an Order granting Union's Motion to Intervene and Motion to Stay the State Court Action. *See* April 3, 2023, Order attached as **Exhibit C**.

- 6. In granting Union's Motion to Stay, the April 3, 2023, Order provides that "The Court stays that portion of CSAC and the Class's settlement that seeks to permit the Class to take a judgment against CSAC in an amount to be determined by the Court and potentially satisfied by Union's insurance coverage **until the related Coverage Action is resolved**." Order, p.2 (emphasis added).
- 7. On April 3, 2023, Defendants' filed a Reply in Support of their Motion to Dismiss. (Doc. # 38). The Reply fails to address or acknowledge Judge Stovall-Reid's stay of the State Court Action, or that Defendants' stipulated to the relief sought in Union's Motion to Stay, including that the State Court Action be stayed until the related Coverage Action, in this Court, is resolved.
- 8. At a minimum, Defendants' arguments in their Reply are at odds with their position in the State Court Action and prior stipulation to stay the State Court Action in favor of this declaratory judgment action. In short, Defendants have stipulated to a stay of the underlying State Court Action so that those coverage issues raised in Union's Complaint can be decided in this Court, before additional and potentially unnecessary time and money is spent on additional liability issues in the underlying action.
- 9. Given the recent developments, and Defendants' failure to timely present those issues to the Court, Union seeks leave to file a Sur-Reply to Defendants' Motion to Dismiss or Stay so that this Court is fully advised of such developments in the interest of justice.
- 10. No party will be prejudiced by the granting of such relief, nor will the granting of the requested relief delay these proceedings.
- 11. A copy of Union's proposed Sur-Reply to Defendants' Motion to Dismiss or Stay is attached hereto as **Exhibit D**.

WHEREFORE, Plaintiff UNION INSURANCE COMPANY respectfully prays that this Honorable Court Grant its Motion for Leave to File A Sur-Reply to Defendants' Motion to Dismiss or Stay, and allowing Union to file its Sur-Reply, as set forth in Exhibit D to this Motion, within five (5) days of the granting of such relief, and for any other relief that this Court deems reasonable and just.

Dated this 11th day of April, 2023.

Respectfully submitted,

/s/ Jason M. Taylor

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on April 11, 2023, the foregoing was filed electronically with the Clerk of Court, therefore to be served electronically by operation of the Court's electronic filing system upon all counsel of record.

/s/ Jason M. Taylor